

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: North Adams Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule and Revised Appropriation for Fiscal Year 2015

DATE: May 28, 2014

Revised Appropriation for FY15: **\$2,653,090**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2015, which commences July 1, 2014.

This amount revises the appropriation amount shown in our March 10, 2014 letter based on the funding schedule recently adopted by the Board (copy enclosed). The revised schedule extends the amortization of the 2002 and 2003 ERI bases to FY29. The schedule assumes payment is made on July 1 of each fiscal year. The schedule is effective in FY14 (since the amount under the prior schedule was maintained in FY14) and is acceptable under Chapter 32.

The revised allocation by governmental unit is as follows:

City	\$2,357,190
Northern Berkshire VS	182,898
Housing Authority	113,002

As we indicated previously, we do not recommend revising early retirement incentive bases once they have been established. We presented this alternative based on the Board's request.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666 - 4446, extension 921.



Proposed Schedule as
Requested by the Mayor

Alternative 1 (revised ERIs)
7.75% Investment Return
4.0% Increasing to 2029

North Adams Retirement System
January 1, 2013 Actuarial Valuation

Alternative 1 Revised to adjust ERI schedule to FY29

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Amort. of 2002 ERI	Amort. of 2003 ERI	Total Cost	Unfunded Act. Liab.	Total Cost % increase
2014	689,468	90,000	1,735,432	10,831	59,770	2,585,501	24,048,845	
2015	723,942	90,000	1,765,723	11,264	62,161	2,653,090	23,966,630	2.6%
2016	760,139	90,000	1,891,027	11,715	64,647	2,817,528	23,842,362	6.2%
2017	798,146	90,000	2,024,270	12,183	67,233	2,991,832	23,570,284	6.2%
2018	838,053	90,000	2,165,948	12,671	69,922	3,176,594	23,130,259	6.2%
2019	879,956	90,000	2,340,654	13,177	72,719	3,396,506	22,500,051	6.9%
2020	923,953	90,000	2,434,280	13,704	75,628	3,537,565	21,629,198	4.2%
2021	970,151	90,000	2,531,651	14,253	78,653	3,684,708	20,586,268	4.2%
2022	1,018,659	90,000	2,632,917	14,823	81,799	3,838,197	19,353,744	4.2%
2023	1,069,591	90,000	2,738,234	15,416	85,071	3,998,312	17,912,581	4.2%
2024	1,123,071	90,000	2,847,763	16,032	88,474	4,165,340	16,242,085	4.2%
2025	1,179,225	90,000	2,961,674	16,674	92,013	4,339,585	14,319,776	4.2%
2026	1,238,186	90,000	3,080,141	17,340	95,693	4,521,360	12,121,246	4.2%
2027	1,300,095	90,000	3,203,346	18,034	99,521	4,710,997	9,619,997	4.2%
2028	1,365,100	90,000	3,331,480	18,755	103,502	4,908,837	6,787,276	4.2%
2029	1,433,355	90,000	3,464,739	19,506	107,642	5,115,242	3,591,887	4.2%
2030	1,505,023	90,000				1,595,023	0	

Appropriation payments assumed to be made July 1 of each fiscal year

Normal cost assumed to increase 5.0% per year

Assumed administrative expenses of \$125,000

FY14 maintained at level shown in current funding schedule

Total appropriation for FY15-FY18 increases by 6% from prior fiscal year (before adjusting ERIs)